

**BEFORE THE JUDICIAL PANEL  
ON MULTIDISTRICT LITIGATION**

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	:	MDL Docket No.
IN re LAUGHLIN PRODUCTS, INC.	:	
PATENT LITIGATION	:	

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**DECLARATION OF RALPH VENUTO, SR.**

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I, Ralph Venuto, Sr., hereby declare and say as follows:

1. I currently reside in Blackwood, New Jersey.
2. I founded Hollywood Tanning Systems, Inc. ("HTS"), and I am presently the Chairman of HTS.
3. I designed and developed a system for applying self-tanning solutions onto the human body, which HTS sells to its franchisees under the name "HT-9 Instant Tan" (the "HTS system"), at HTS headquarters in Mount Laurel, New Jersey. I am one of the persons at HTS who is most knowledgeable about the use of the HTS system (the "HTS method"), the HTS system, the tanning industry, the competition, and the non-infringement and invalidity of U.S. Patent No. 5,922,333 patent.
4. HTS manufactures and sells the HTS system to its franchisees. In addition to acting as a franchisor, HTS also owns certain salons which use the HTS system.

5. Laughlin Products, Inc. (“LPI”) claims that the HTS method, by HTS and the HTS franchisees at the salons, infringes the ‘333 patent.

6. LPI has filed identical suits in seven (7) United States District Courts against salons owned and operated by HTS and by 45 HTS franchisees, alleging infringement of U.S. Patent No. 5,922,333 (the “Laughlin suits”). All of the defendants in the Laughlin suits are franchisees of HTS and, in some suits, HTS, improperly pled as Hollywood Tans, Inc., in its capacity as operator of certain salons, not as franchisor. HTS has agreed to defend and indemnify all of its franchisees with regard to the Laughlin suits. The franchisees of HTS have agreed to permit HTS to control the defense of the Laughlin suits. HTS has filed a declaratory judgment action in the United States District Court for the District of New Jersey seeking, among other things, a declaration of non-infringement and invalidity (the “HTS suit”). The same law firm will be representing HTS and its franchisees in the Laughlin suits and the HTS suit.

7. There are nearly 140 “Hollywood Tans” salons in the United States, including New Jersey, Pennsylvania, Delaware, New York, Connecticut, Maryland, Virginia, Georgia and Florida. New Jersey and Connecticut are the only states where there are salons that LPI has not filed an action against HTS and its franchisees. Of these nearly 140 HT salons, approximately 100 salons (or about 70%) have the HTS system and use the HT method.

8. There are 3 HTS salons operating in Connecticut, and 53 HTS salons operating in New Jersey. In the states where LPI has filed actions, not all of HTS’s salons have been named, nor has HTS been named in every action. Another 45 salon

locations are in close proximity to New Jersey (within about 20 miles of the Federal Courthouse in Camden) with 5 in Delaware, and 40 in eastern Pennsylvania, and another 15 salons located in New York.

9. At present, HTS has 4 Florida locations (of which only 2 were named in the lawsuits filed in the Southern District of Florida); 4 Georgia locations (of which only 1 was named in the lawsuit file in the Northern District of Georgia); 6 Maryland locations (of which only 3 were named in the District of Maryland); and 6 Virginia locations (of which only 1 was named in the lawsuit filed in the Eastern District of Virginia).

10. On information and belief, approximately 47 of the HTS franchisees which own and operate at least part of one or more salons outside of New Jersey, and live in New Jersey.

11. HTS's documents and its principal witnesses, including but not limited to me and David Rahn, HTS's Chief Financial Officer, are located in New Jersey. Of particular note, Edward McClain, the inventor of a patent and technology on a similar method and device, who will be a key witness in the litigation, lives in New Jersey. Mr. McClain is 72 years old.

12. Approximately 30 months ago, I was diagnosed with inoperable cancer of the prostate and lymphoid, which are aggressive forms of cancer. At that time, my doctor estimated that I had no more than about 24 months to live. My physician has advised me to conserve my strength, and not to work past about 2pm. I find that I am generally fatigued in the early afternoon. This condition may hamper my ability to travel and participate in eight co-pending suits, if the suits were to run their normal course.

I declare under penalty of perjury that the foregoing is true and correct, as executed on  
this \_\_\_\_ day of August, 2002.

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Ralph Venuto, Sr.